

**KIPLIN METALS INC.**  
**(formerly ALDEVER RESOURCES INC.)**

Interim Financial Statements

For the Nine Months Ended September 30, 2020

(Unaudited – Expressed in Canadian Dollars)

**Notice of No Auditor Review**

These unaudited interim financial statements of Kiplin Metals Inc., formerly Aldever Resources Inc., (the “Company”) have not been reviewed by the auditors of the Company. This notice is being provided in accordance with Section 4.3 (3) (a) of National Instrument 51-102 - Continuous Disclosure Obligations.

**KIPLIN METALS INC. (formerly Aldever Resources Inc.)**Interim Statements of Financial Position  
(Unaudited - Expressed in Canadian Dollars)

	September 30	December 31
	2020	2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 625,980	\$ 8,282
GST receivable	8,785	1,874
<b>Total Current Assets</b>	<b>634,765</b>	<b>10,156</b>
<b>Exploration and evaluation assets</b> (note 4)	<b>1,825</b>	<b>1,748,310</b>
<b>Total Assets</b>	<b>\$ 636,590</b>	<b>\$ 1,758,466</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable (note 5)	\$ 105,073	\$ 381,690
Accrued liabilities	-	9,000
<b>Total Current Liabilities</b>	<b>105,073</b>	<b>390,690</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (note 7)	21,440,908	20,546,602
Warrants (note 7)	83,689	83,689
Share-based payments reserve (note 7)	1,328,523	1,328,523
Deficit	(22,321,603)	(20,591,038)
<b>Total Equity</b>	<b>531,517</b>	<b>1,367,776</b>
<b>Total Liabilities and Equity</b>	<b>\$ 636,590</b>	<b>\$ 1,758,466</b>

Nature and continuance of operations (note 1)

Approved on behalf of the Board: -

Director "Clive Massey"  
Clive MasseyDirector "Richard Ko"  
Richard Ko*The accompanying notes are an integral part of these interim financial statements*

**KIPLIN METALS INC. (formerly Aldever Resources Inc.)**Interim Statements of Comprehensive Loss  
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2020	2019	2020	2019
<b>EXPENSES</b>				
Claim registrations	\$ -	\$ -	\$ -	\$ 3,110
Consulting, management and directors' fees (note 5)	12,900	35,200	105,700	\$ 141,100
General and administrative	774	322	1,174	1,184
Interest expense (recovery)	-	(3,372)	-	(3,372)
Professional fees	7,350	2,869	28,371	6,127
Regulatory and transfer agent fees	5,276	5,064	31,429	22,372
Share-based compensation	-	-	39,506	-
	(26,300)	(40,083)	(206,180)	(170,521)
<b>Other</b>				
Reversal of flow-through share liability	-	-	-	10,026
Write-down of exploration and evaluation assets	(1,748,310)	-	(1,748,310)	-
Gain on settlement of debt (note 5)	-	-	223,925	-
<b>Net and comprehensive loss</b>	<b>\$ (1,774,610)</b>	<b>\$ (40,083)</b>	<b>\$ (1,730,565)</b>	<b>\$ (160,495)</b>
<b>Basic and diluted income per share</b>	<b>\$ (0.11)</b>	<b>\$ (0.02)</b>	<b>\$ (0.18)</b>	<b>\$ (0.08)</b>
<b>Weighted average number of common shares outstanding</b>	<b>15,758,464</b>	<b>2,204,561</b>	<b>9,799,533</b>	<b>2,051,952</b>

On February 13, 2020, the Company consolidated its shares on the basis of one new post-consolidated share for every 2.5 old pre-consolidated shares. The basic and diluted loss per share and weighted average number of common shares have been adjusted to reflect this share consolidation.

*The accompanying notes are an integral part of these interim financial statements*

**KIPLIN METALS INC. (formerly Aldever Resources Inc.)**Interim Statements of Changes in Equity  
(Unaudited - Expressed in Canadian Dollars)

	<b>Number of Shares (note 7)</b>	<b>Share capital</b>	<b>Warrants</b>	<b>Share-Based Payments Reserve</b>	<b>Deficit</b>	<b>Total Equity</b>
<b>Balance at January 1, 2019</b>	2,051,942	\$ 20,452,102	\$ 83,689	\$ 1,328,523	\$ (20,340,810)	\$ 1,523,504
Shares issued to settle debts (note 7)	540,000	81,000	-	-	-	81,000
Net and comprehensive loss	-	-	-	-	(160,495)	(160,495)
<b>Balance at September 30, 2019</b>	<b>2,591,942</b>	<b>20,533,102</b>	<b>83,689</b>	<b>1,328,523</b>	<b>(20,501,305)</b>	<b>1,444,009</b>
<b>Balance at January 1, 2020</b>	2,591,942	20,546,602	83,689	1,328,523	(20,591,038)	1,367,776
Shares issued:						
Issue of common shares for cash (note 7)	12,120,000	727,200	-	-	-	727,200
Options exercised at \$0.11 per share (note 7)	1,160,000	127,600	-	(39,506)	-	88,094
Share-based compensation	-	-	-	39,506	-	39,506
Net and comprehensive loss	-	-	-	-	(1,730,565)	(1,730,565)
<b>Balance at September 30, 2020</b>	<b>15,871,942</b>	<b>\$ 21,401,402</b>	<b>\$ 83,689</b>	<b>\$ 1,328,523</b>	<b>\$ (22,321,603)</b>	<b>\$ 492,011</b>

*The accompanying notes are an integral part of these interim financial statements*

**KIPLIN METALS INC. (formerly Aldever Resources Inc.)**

## Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	<b>Nine Months Ended September 30</b>	
	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (1,730,565)	\$ (160,495)
Add (deduct) items not involving cash:		
Reversal of flow-through share liability	-	(10,026)
Write-down of exploration and evaluation assets	1,748,310	-
Share-based compensation	39,506	-
Gain on settlement of debt	(223,925)	-
Working capital adjustments:		
GST receivable	(6,911)	9,684
Accounts payable	(52,692)	165,703
Accrued liabilities	(9,000)	(15,454)
<b>Net cash flows used in provided by operating activities</b>	<b>(235,277)</b>	<b>(10,588)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to exploration and evaluation assets	(1,825)	-
<b>Net cash flows used in investing activities</b>	<b>(1,825)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shares issued on exercise of options	127,600	-
Proceeds from issuance of shares	727,200	-
<b>Net cash flows from financing activities</b>	<b>854,800</b>	<b>-</b>
<b>Change in cash during the period</b>	<b>617,698</b>	<b>(10,588)</b>
<b>Cash, beginning of the period</b>	<b>8,282</b>	<b>20,344</b>
<b>Cash, end of the period</b>	<b>\$ 625,980</b>	<b>\$ 9,756</b>

No cash was paid for interest or income taxes during the period.

*The accompanying notes are an integral part of these interim financial statements*

## **KIPLIN METALS INC. (formerly Aldever Resources Inc.)**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

### **1) NATURE AND CONTINUANCE OF OPERATIONS**

Kiplin Metals Inc., formerly Aldever Resources Inc., (“Kiplin” or the “Company”) was incorporated in the Province of British Columbia and is a junior exploration company engaged in the business of identification, acquisition and exploration of mineral interests. On February 13, 2020, the Company completed a share consolidation at a ratio of one new, post-consolidated share for every two-and-a-half old, pre-consolidated shares, and concurrently changed its name to Kiplin Metals Inc. All share, earnings per share and warrant amounts in these financial statements are reflected on a post-consolidated basis. The Company’s common shares are listed for trading on the TSX Venture Exchange (the “Exchange”) under the symbol “KIP”, on the OTCQB Exchange under the symbol “ALDVF”, and on the Frankfurt Exchange under the symbol “17G1”. The Company’s principal office and registered and records office is located at 2200-885 West Georgia Street, Vancouver, BC V6C 3E8.

These financial statements were authorized for issue on November 30, 2020 by the directors of the Company.

At the date of the interim financial statements, the Company has not identified a known body of commercial grade minerals on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

Management is targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In addition, management closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur.

These interim financial statements have been prepared on a going concern basis which presumes the realization of assets and settlement of liabilities in the normal course of operations in the foreseeable future. The Company has incurred operating losses since inception and at September 30, 2020, had a cumulative deficit of \$22,321,603. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

These interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. Further discussion of liquidity risk is included in notes 6 and 8.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The impact on the Company is not currently determinable but management continues to monitor the situation.

### **2) BASIS OF PRESENTATION**

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including International Accounting Standards (“IAS”) 34, Interim Financial Reporting. These interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company’s audited annual financial statements for the year ended December 31, 2019, which have been prepared in accordance with IFRS.

These financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar.

## **KIPLIN METALS INC. (formerly Aldever Resources Inc.)**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

### **3) SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Significant accounting judgments, estimates and assumptions**

The preparation of the Company's interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies:

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the interim financial statements:

- the determination that the Company will continue as a going concern for the next year; and
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluation assets may not be recoverable.

#### **b) Impairment**

At each reporting period, management reviews all assets for indicators of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

#### **c) New accounting standards**

There were no new standards effective January 1, 2020 that had an impact on the Company's financial statements. A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2020, or later periods. The Company has not early adopted any new standards in preparing these financial statements.

## KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

### 4) EXPLORATION AND EVALUATION ASSETS

	Balance Dec 31, 2019	2020 Additions	2020 Dispositions	2020 Impairment	Balance Sep 30, 2020
	\$	\$	\$	\$	\$
Urban Barry Gold - Quebec, Canada	1,748,309	-	-	(1,748,309)	-
Scotia Zinc-Silver Project - British Columbia, Canada	1	-	-	-	1
Nadina Mountain - British Columbia, Canada	-	1,825	-	-	1,825
	1,748,310	1,825	-	(1,748,309)	1,826

  

	Balance Dec 31, 2018	2019 Additions	2019 Dispositions	2019 Impairment	Balance Dec 31, 2019
	\$	\$		\$	\$
Urban Barry Gold - Quebec, Canada	1,748,309	-	-	-	1,748,309
Scotia Zinc-Silver Project - British Columbia, Canada	1	-	-	-	1
Nadina Mountain - British Columbia, Canada	-	-	-	-	-
	1,748,310	-	-	-	1,748,310

#### Scotia Zinc-Silver Project - British Columbia, Canada

On November 11, 2014, the Company entered into an option agreement to earn up to a 100% interest in the Scotia Zinc-Silver prospect in northern British Columbia. To exercise the option the Company must make staged payments of \$375,000 over 3 years and incur \$750,000 in exploration expense over the same period.

On May 13, 2015, the Company amended its original agreement. Under the amended terms of the agreement, the Company can earn a 100% interest by paying \$75,000 (paid on January 19, 2015) and issuing 18,518 common shares to the vendor (issued May 20, 2015). The Company's interest is subject to an underlying 2% NSR, payable to the Vendor of which 1% can be purchased by the Company for \$1,000,000.

On January 9, 2017, the Company entered into an option agreement for the sale of its 100% interest in the Scotia Zinc-Silver Project, which was approved by the Exchange on January 23, 2017. Consideration consists of: \$25,000 cash within five days after the Exchange Acceptance Date (received), \$25,000 on or before January 9, 2018, 200,000 shares within five days after January 23, 2017 (received 300,000 shares with a fair value of \$190,000), 300,000 shares on or before January 9, 2018 and 400,000 shares on or before January 9, 2019 and completion of exploration work in the amount of \$500,000 on or before January 9, 2019. On January 9, 2018, the purchaser terminated the property option agreement and accordingly the Company recorded impairment of \$215,000 at December 31, 2017.

On September 7, 2018, the Company entered into an option agreement for the sale of its 100% interest in the Scotia Zinc-Silver Project. Consideration consists of a one-time cash payment of \$15,000 (received). The Company recorded a gain on sale of \$15,000.

#### Urban Barry Gold Project - Quebec, Canada

On November 10, 2015, the Company entered into an option agreement to acquire a 100% interest in the Urban Barry Gold Project in Quebec. Under the terms of the agreement, the Company can earn a 100% interest by issuing 129,629 common shares to the vendor (issued November 18, 2015), making a cash payment of \$250,000 on or before 18 months of TSX-V approval of this agreement, and incurring \$1,000,000 in exploration expenditures within the next five years

## **KIPLIN METALS INC. (formerly Aldever Resources Inc.)**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

### **4) EXPLORATION AND EVALUATION ASSETS (continued)**

#### **Urban Barry Gold Project - Quebec, Canada (continued)**

(\$425,000 paid to March, 2017). The Company's interest is subject to a 1% NSR payable to the vendor, of which ½% may be purchased for \$1,000,000.

On July 5, 2017, the Company amended its option agreement for the Urban Barry Gold Project. Under the amended terms the Company can earn a 100% interest by issuing 129,629 common shares (issued November 18, 2015), issuing 333,333 common shares on or before July 10, 2017, if within 5 days of TSX Venture Exchange approval of this agreement (issued July 31, 2017) (Note 9), making a cash payment of \$50,000 on or before 24 months of the signing of this agreement, a further cash payment of \$100,000 on or before 30 months of the signing of this agreement, a further cash payment of \$100,000 on or before 36 months of the signing of this agreement, a further cash payment of \$250,000 on or before 48 months of the signing of this agreement, and Kiplin shall have completed \$1,000,000 in exploration expenditures (\$928,810 incurred to December 31, 2017) on the Mineral Claims within five years of the signing of the agreement.

On March 24, 2017, the Company issued 111,111 non-flow-through units as compensation toward the cash payments required in the option agreement (Note 8).

During the year ended December 31, 2018, the Company incurred \$84,500 (2017 - \$1,663,810) in exploration expenditures on the Urban Barry Gold Project.

On September 14, 2020, the Company announced that it had been unable to renegotiate acceptable terms for its option to acquire the Urban Barry Gold Project. As a result, the project has been returned to the option holder and the Company recorded impairment of \$1,748,310 at September 30, 2020.

#### **Nadina Mountain Claims – British Columbia, Canada**

On November 21, 2017, the Company entered into an option agreement to acquire 100% interest in the Nadina Mountain Claims located in British Columbia. Under the terms of the agreement, the Company can earn 100% interest by paying \$5,000 to the vendor and issuing 111,110 common shares within five (5) days of TSX Venture Exchange Approval, a further cash payment of \$500,000 within 24 months of the signing of the agreement and completing \$200,000 in exploration expenditures on the Mineral Claim(s) within five (5) years of the signing of the agreement. The Company's interest is subject to a 1% GORR (Gross Overriding Royalty), of which ½% may be purchased for \$1,000,000, less all amounts previously received as GORR payments.

On May 15, 2020, the Company amended its option agreement for the Nadina Mountain Claims by delaying the deadline of the \$500,000 cash payment to within 48 months of the signing of the agreement and reducing the number of claims on the property. All other terms and conditions of the original agreement remain the same.

During the year ended December 31, 2018, the Company recorded an impairment of \$105,000.

During the nine months ended September 30, 2020, the Company incurred \$1,825 (2019 - \$Nil) in exploration expenditures on the Nadina Mountain Claims.

### **5) RELATED PARTY TRANSACTIONS**

During the nine months ended September 30, 2020, the Company incurred \$82,200 (2019 - \$109,600) in geological and consulting fees due to directors and a company with a common director. At September 30, 2020, the Company owed directors and a company with a common director \$Nil (2019 - \$90,330) in respect of those fees.

During the nine months ended September 30, 2020, the Company reached debt settlement agreements with directors and a creditor of the Company in which \$269,825 of liabilities were settled in exchange for cash of \$45,900 and a gain on settlement of \$223,925 was recorded

## **KIPLIN METALS INC. (formerly Aldever Resources Inc.)**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

### **5) RELATED PARTY TRANSACTIONS (continued)**

During the year ended December 31, 2019, the Company completed a debt for shares settlement with directors and management of the Company in which \$42,000 of liabilities were settled in exchange for the issuance of 700,000 common shares of the Company.

Key management personnel comprise the Company's Board of Directors and executive officers. No remuneration was paid to key management personnel during the periods ended September 30, 2020 and 2019 other than as indicated above.

### **6) CAPITAL MANAGEMENT**

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally imposed capital requirements. There was no change to the Company's approach to capital management during the period.

### **7) SHARE CAPITAL**

#### **Authorized**

Unlimited number of common shares, without par value.

#### **Issued**

Shares issued and outstanding at September 30, 2020 are 15,871,942 (December 31, 2019 – 2,591,942 post-consolidation).

*During the nine months ended September 30, 2020:*

On April 28, 2020, the Company completed a private placement of 12,120,000 units at \$0.06 per unit with gross proceeds of \$727,200. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant will be exercisable at a price of \$0.085 for 3 years from the date of closing. No finders' fees or commissions were payable in connection with this financing.

On April 29, 2020, the Company granted 1,160,000 incentive stock options to consultants of the Company. These options vested immediately and are exercisable at \$0.09 per share for a period of three years, expiring April 29, 2023. The exercise price of the options was subsequently repriced at \$0.11 per share. On July 9, 2020, the Company issued 1,160,000 common shares pursuant to the exercise of these share options for gross proceeds of \$127,600.

*During the year ended December 31, 2019:*

Effective April 5, 2019, the Company consolidated its shares on the basis of one new, post-consolidated share for every 3 old, pre-consolidated shares. All share and per share amounts in these financial statements have been adjusted to reflect this share consolidation.

**KIPLIN METALS INC. (formerly Aldever Resources Inc.)**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

**7) SHARE CAPITAL (continued)****Issued, (continued)**

On September 4, 2019, the Exchange approved a debt settlement with four creditors. The Company issued 1,350,000 common shares of the Company with a fair value of \$94,500 in consideration for \$81,000 in debt outstanding resulting in a loss on settlement of debt of \$13,500. The common shares issued pursuant to the shares-for-debt settlement will be subject to a statutory hold period of four months plus a day.

**Warrants**

Details of common share purchase warrants outstanding at September 30, 2020 are as follows:

	Number of Warrants	Exercise price	Expiry date	Remaining Life (years)
Issued in private placement	12,120,000	\$ 0.085	April 28, 2023	2.58
	12,120,000	\$ 0.085		

Common share purchase warrant transactions during the periods ended September 30, 2020 and December 31, 2019 are as follows:

	September 30 2020		December 31 2019	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of period	360,084	\$ 2.770	474,785	\$ 4.48
Issued	12,120,000	0.085	-	-
Expired	-	-	(24,746)	11.93
Expired	-	-	(3,067)	11.48
Expired	(352,020)	2.700	(34,666)	2.70
Expired	(8,064)	1.800	-	-
Expired	-	-	(52,222)	13.50
Outstanding - end of period	12,120,000	\$ 0.085	360,084	\$ 2.77

The weighted average remaining contractual life of the issued and outstanding warrants at September 30, 2020 was 2.58 years.

## KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

### 7) SHARE CAPITAL (continued)

#### Share-based payments

The Company has a stock option plan in place under which it is authorized to grant options to executive officers and directors, employees and consultants. The Company may reserve a maximum of 10% of the issued and outstanding listed common shares, the exercise price to be determined on the date of issuance of the options. Under the plan, the exercise price of each option cannot be less than the discounted market price as defined in Policy 1.1 of the Exchange policies. The options can be granted for a maximum term of five years and the vesting period of each option grant is at the discretion of the board of directors, subject to applicable Exchange policies.

The following table summarizes activity related to stock options for the nine months ended September 30, 2020 and the year ended December 31, 2019:

	September 30 2019		December 31 2018	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding - beginning of period	-	\$ -	-	\$ -
Granted	1,160,000	0.11	-	-
Exercised	(1,160,000)	0.11	-	-
Outstanding - end of period	-	\$ -	-	\$ -

During the nine months ended September 30, 2020, the Company recorded share-based compensation of \$39,506 (2019 – \$Nil) related to the issuance of stock options.

### 8) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at September 30, 2020, the Company's financial instruments consist of cash and accounts payable.

In management's opinion, the Company's carrying values of cash and accounts payable approximate their fair values due to the immediate or short-term maturity of these instruments.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash is classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data.

## KIPLIN METALS INC. (formerly Aldever Resources Inc.)

Notes to the Interim Financial Statements

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(Unaudited - Expressed in Canadian Dollars)

### 8) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (*continued*)

The Company's financial instruments are exposed to the following risks:

#### *Credit Risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and short-term investments. Cash is maintained with financial institutions of reputable credit and lawyers trust accounts.

The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at September 30, 2020 relating to cash of \$625,980. All cash is held at a Canadian chartered bank and lawyers trust accounts and the Company considers the credit risk to be minimal for all cash assets based on changes that are reasonably possible at the reporting date.

#### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet account payables. The Company maintains sufficient cash balances to meet its needs at September 30, 2020.

#### *Foreign Exchange Risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to foreign exchange risk.

#### *Interest Rate Risk*

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk relates to its ability to maintain the current rate of interest on its cash equivalents. Management believes the interest rate risk to be minimal.

#### *Fair Value of Financial Instruments*

The fair value classification of the Company's financial instruments as at September 30, 2020 and December 31, 2019 is as follows:

	September 30 2020			December 31 2019		
	Fair Value Level	Fair value through profit or loss	Loans and receivables and other financial liabilities at amortized cost	Fair value through profit or loss	Loans and receivables and other financial liabilities at amortized cost	
<i>Financial assets:</i>						
Cash	1	\$ 625,980	-	\$ 8,282	-	
<i>Financial liabilities:</i>						
Accounts payable	1	-	\$ 105,073	-	\$ 381,690	

## **KIPLIN METALS INC. (formerly Aldever Resources Inc.)**

Notes to the Interim Financial Statements

As at and for the periods ended September 30, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

### **8) FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

During the periods ended September 30, 2020 and December 31, 2019, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

### **9) SUBSEQUENT EVENTS**

On October 9, 2020, shareholders approved a consolidation of the Company's shares on the basis of one new for up to five old common shares or such lesser ratio as the directors may deem appropriate. At November 30, 2020, the share consolidation has not occurred.

The Company announced on September 3, 2020 that it had entered into a mineral property option agreement with an arms-length third party and has been granted the option to acquire the Exxeter Gold Property ("Exxeter") in the Province of Quebec. In order to exercise the option and acquire Exxeter, the Company must make cash payments of \$500,000, with an initial \$100,000 payment due by the first anniversary of the option agreement and incur work expenditures of \$500,000 over a three year term. As at November 30, 2020, no payments have been made.